

## FORCED LABOR COSTS CONSIDERABLE: A VIEW FROM THE ILO

The Trafficking in Persons Report in recent years has focused increased attention on labor forms of human trafficking. A newly released ILO report on forced labor in the world – *The Cost of Coercion* (May 2009) – breaks new ground in assessing the economic impact of forced labor, including the impact of fraudulent recruitment of migrant workers. The report's release is prescient, coming amidst a global financial crisis that affects a significant share of the world's migrant work force and underscores the need for much stronger governmental and business community responses to forced labor.

Among the key conclusions of *Cost of Coercion*:

- Key manifestations of the global forced labor problem continue to be: slavery and abduction for labor; agriculture-based forced labor in rural areas; compulsory work on public projects; bonded labor in South Asia; forced labor exacted by the military – with a special emphasis on “Myanmar” (Burma); and forced labor related to labor migration – the “underside of globalization.”
- Forced labor represents a challenge for virtually every country in the world and is increasingly penetrating supply chains of mainstream companies in the formal economy.
- Forced labor can be induced by a number of means, including psychological (non-physical) coercion; abuse of legal processes – such as the threat of having a migrant detained and deported as an undocumented alien; threats of financial penalties, such as those linked with debts; and the confiscation of identity or travel documents.
- An estimated 8.1 million victims of forced labor in the world today are denied more than \$20 billion due to the perpetrators of forced labor. These opportunity costs, or “stolen” wages, are incurred largely in the developing world and most significantly in Asia and the Pacific, which accounts for \$8.9 billion, or almost half of forced labor's costs in the world. As wages denied and not remitted to workers' home countries, these costs can be viewed as an impediment to economic development.
- Little progress has been made since 2001 in improving data collection on forced labor; the process of estimating the problem “has hardly begun in most countries.” While victimizing far more people than sex trafficking, forced labor is also underrepresented by governments' law enforcement efforts against human trafficking.
- ILO research has shown a clear relationship between amounts spent by migrant workers during their recruitment and the probability of their becoming victims of forced labor; the higher the cost, the greater the likelihood of forced labor. Excessive and often unlawful recruitment fees are often a key contributing factor to forced labor. Particular attention should be paid to private employment agencies, given their documented role in trafficking for labor exploitation.
- Migrants in the fishing industry or serving as domestic workers are particularly vulnerable to forced labor.



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*Migrant workers in Dubai, UAE, live and work without adequate rights in difficult conditions in labor camps. Up to 20 men often share small rooms. Employers often withhold wages of these workers with the intent of preventing them from leaving. This amounts to forced labor.*

*For more information, please log on to the Web site of the State Department's Office to Monitor and Combat Trafficking in Persons at [www.state.gov/g/tip](http://www.state.gov/g/tip).*